

# Senate Study Bill 1007 - Introduced

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED GOVERNOR'S OFFICE  
OF DRUG CONTROL POLICY  
BILL)

## A BILL FOR

1 An Act increasing the tax applicable to the manufacture or sale  
2 of beer, making an appropriation, and including effective  
3 date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 123.130, subsection 2, Code 2011, is  
2 amended to read as follows:

3 2. All class "A" premises shall be located within the state.  
4 All beer received by the holder of a class "A" permit from  
5 the holder of a certificate of compliance before being resold  
6 must first come to rest on the premises licensed by the class  
7 "A" permit holder, must be inventoried, and is subject to the  
8 ~~barrel~~ beer gallonage tax when resold as provided in section  
9 123.136. A class "A" permittee shall not store beer overnight  
10 except on premises licensed under a class "A" permit.

11 Sec. 2. Section 123.136, Code 2011, is amended to read as  
12 follows:

13 **123.136 ~~Barrel~~ Beer gallonage tax.**

14 1. In addition to the annual permit fee to be paid by all  
15 class "A" permittees under this chapter there shall be levied  
16 and collected from the permittees on all beer manufactured  
17 for sale or sold in this state at wholesale and on all beer  
18 imported into this state for sale at wholesale and sold in this  
19 state at wholesale, and from special class "A" permittees on  
20 all beer manufactured for consumption on the premises, a tax  
21 of ~~five and eighty-nine hundredths dollars~~ seventy-three cents  
22 ~~for every barrel containing thirty-one gallons~~ each gallon, and  
23 at a like rate for any other quantity or for the fractional  
24 part of a ~~barrel~~ gallon. However, no tax shall be levied or  
25 collected on beer shipped outside this state by a class "A"  
26 permittee or sold by one class "A" permittee to another class  
27 "A" permittee.

28 ~~All revenue derived from the barrel tax shall accrue to the~~  
29 ~~state general fund.~~

30 2. All of the provisions of this chapter relating to the  
31 administration of the ~~barrel tax on~~ beer gallonage tax shall  
32 apply to this section.

33 Sec. 3. Section 123.143, Code 2011, is amended to read as  
34 follows:

35 **123.143 Distribution of funds.**

1 The revenues obtained from permit fees and the ~~barrel~~ beer  
2 gallage tax collected under the provisions of this chapter  
3 shall be distributed as follows:

4 1. All retail beer permit fees collected by any local  
5 authority at the time application for the permit is made shall  
6 be retained by the local authority. A certified copy of the  
7 receipt for the permit fee shall be submitted to the division  
8 with the application and the local authority shall be notified  
9 at the time the permit is issued. Those amounts collected for  
10 the privilege authorized under section 123.134, subsection 6,  
11 shall be deposited in the beer and liquor control fund.

12 2. All permit fees and taxes collected by the division under  
13 this division shall accrue to the state general fund, except  
14 as otherwise provided.

15 3. ~~Barrel Beer~~ beer gallage tax revenues collected on beer  
16 manufactured in this state from a class "A" permittee which  
17 owns and operates a brewery located in Iowa shall be credited  
18 to the ~~barrel~~ beer gallage tax fund hereby created in the  
19 office of the treasurer of state. Moneys deposited in the  
20 ~~barrel~~ beer gallage tax fund shall not revert to the general  
21 fund of the state without a specific appropriation by the  
22 general assembly. Moneys in the ~~barrel~~ beer gallage tax  
23 fund are appropriated to the department of economic development  
24 for purposes of section 15E.117.

25 4. An amount equal to fifty-four cents of the tax paid on  
26 every gallon, and at a like rate for any other quantity or  
27 for the fractional part of a gallon, is appropriated annually  
28 from beer gallage tax revenues that are not required to be  
29 deposited in the beer gallage tax fund pursuant to subsection  
30 3 to the governor's office of drug control policy for use  
31 in coordinating, funding, and administering programs in the  
32 categories of substance abuse prevention, substance abuse  
33 treatment, and drug enforcement. Notwithstanding section 8.33,  
34 moneys appropriated in this subsection that remain unencumbered  
35 or unobligated at the close of the fiscal year shall not revert

1 but shall remain available for expenditure for the purposes  
2 designated until the close of the succeeding fiscal year.

3     Sec. 4. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
4 immediate importance, takes effect upon enactment.

5                                   EXPLANATION

6     This bill relates to the barrel tax imposed on the  
7 manufacture and sale of beer as provided in Code section  
8 123.136.

9     The bill changes the name of the tax from the barrel tax to  
10 the beer gallonage tax, and increases the rate of the tax from  
11 \$5.89 per 31-gallon barrel of beer sold to 73 cents per gallon,  
12 and a like rate for any other quantity or for the fractional  
13 part of a gallon. The bill provides that an amount equal to 54  
14 cents of the tax paid on every gallon is appropriated annually  
15 from beer gallonage tax revenues to the governor's office of  
16 drug control policy for use in coordinating, funding, and  
17 administering programs in the categories of substance abuse  
18 prevention, substance abuse treatment, and drug enforcement.  
19 The bill provides that this amount is not subject to reversion.

20     The bill makes conforming changes and eliminates a  
21 duplicative provision.

22     The bill takes effect upon enactment.